

**RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2013**



A Professional Accounting Corporation

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INDEPENDENT AUDITORS' REPORT

Red River Parish Communications District
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Red River Parish Communications District (District), Coushatta, Louisiana, a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Red River Parish Communications District's basic financial statements as listed in the table of contents.

Management's Responsibility (for the Financial Statements)

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Red River Parish Communications District, a component unit of the Red River Parish Police Jury, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 3 to 6 and 18, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Postlethwaite + Netterville

Baton Rouge, Louisiana
July 3, 2014

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

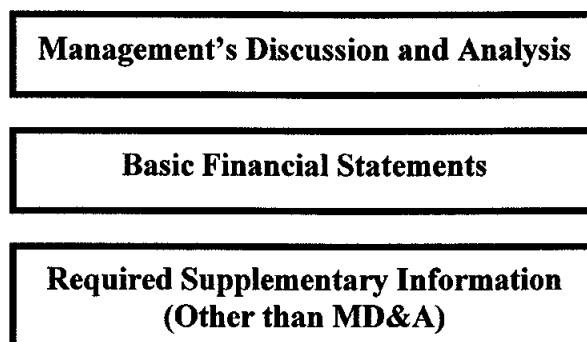
The Management's Discussion and Analysis of the Red River Parish Communications District's (District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the District's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The District's net position decreased by \$19,955.
- The General fund reported a deficiency of revenue compared to expenditures of \$67,409, reducing fund balance to \$121,292.
- Total expenditures in the general fund increased by approximately \$91,000. This was due primarily to the cost of upgrades to the controller system.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Red River Parish Communications District as established by Governmental Accounting Standards Board Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments".



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 7 and 8) provide information about the activities of the Red River Parish Communications District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the District's net position and changes in them. One can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating.

Fund financial statements start on page 9. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of Year End

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 158,403	\$ 192,403
Capital assets, net	<u>202,137</u>	<u>154,683</u>
Total Assets	<u>360,540</u>	<u>347,086</u>
Other liabilities	<u>37,111</u>	<u>3,702</u>
Total Liabilities	<u>37,111</u>	<u>3,702</u>
Net position		
Investment in capital assets, net of related debt	202,137	154,683
Unrestricted	<u>121,292</u>	<u>188,701</u>
Total Net Position	<u>323,429</u>	<u>343,384</u>
Total Liabilities and Net Position	<u>\$ 360,540</u>	<u>\$ 347,086</u>

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

Net position of the Red River Parish Communications District decreased by \$19,955 from the previous fiscal year. The decrease is the result of general expenses exceeding revenues during the fiscal year ended 2013 (See table below).

Statement of Activities
For the Year Ended

	<u>2013</u>	<u>2012</u>
General government		
Expenses	\$ (126,190)	\$ (120,572)
Program revenues		
Operating grants and contributions	-	-
Capital grants and contributions	-	-
Subtotal	<u>(126,190)</u>	<u>(120,572)</u>
General revenues	<u>106,235</u>	<u>103,077</u>
Change in net position	<u>\$ (19,955)</u>	<u>\$ (17,495)</u>

The Red River Parish Communications District's total revenues increased by \$3,158 or 3.06% from the previous year. The total cost of all programs and services increased by \$5,618 or 4.66% from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the Red River Parish Communications District had \$202,137, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and retirements) of \$47,454 or 30.68% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2013</u>	<u>2012</u>
Buildings and building improvements	\$ 14,635	\$ 19,370
Equipment, furniture and fixtures	<u>187,502</u>	<u>135,313</u>
Total	<u>\$ 202,137</u>	<u>\$ 154,683</u>

The District expended approximately \$94,000 on upgrades to the Viper 911 controller system. Depreciation for the current year totaled approximately \$47,000.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$13,735 more than budgeted amounts due to taxes being more than expected.

Actual expenditures were \$31,644 more than budgeted amounts due to the cost of upgrading the controller system being more than anticipated. The amended budget reflected \$10,000 more in capital outlay expenditures than the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Red River Parish Communications District considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) Interest income
- 3) Miscellaneous revenues

The Red River Parish Communications District does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE RED RIVER PARISH COMMUNICATIONS DISTRICT'S
MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Communications District's finances and to show the Red River Parish Communications District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact John Youngblood, Chairman P.O. Box 407, Coushatta, Louisiana 71019.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 142,333
Receivables	<u>16,070</u>
Total current assets	158,403
Noncurrent Assets:	
Capital assets, net of depreciation	<u>202,137</u>
Total Assets	<u><u>360,540</u></u>

LIABILITIES AND NET POSITION

LIABILITIES

Current Liabilities:	
Accounts payable and accruals	<u>37,111</u>
Total current liabilities	37,111
Noncurrent liabilities	
Compensated absences payable	<u>-</u>
Total liabilities	<u>37,111</u>

NET POSITION

Net investment in capital assets	202,137
Unrestricted	<u>121,292</u>
Total net position	<u>323,429</u>
Total Liabilities and Net Position	<u><u>\$ 360,540</u></u>

The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2013

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Expense and Changes in Net Position</u>
<u>General Government</u>					
Public Safety	<u>\$ 126,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (126,190)</u>
General Revenues:					
Taxes					106,235
Miscellaneous					<u>-</u>
Total general revenues					<u>106,235</u>
Change in net position					(19,955)
Net position, beginning of year					<u>343,384</u>
Net position, end of year					<u>\$ 323,429</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

Cash	\$ 142,333
Receivable	<u>16,070</u>
 TOTAL ASSETS	 <u><u>158,403</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable and accruals	<u>\$ 37,111</u>
 TOTAL LIABILITIES	 <u>37,111</u>
 Fund balances:	
Unassigned	<u>121,292</u>
 TOTAL FUND BALANCES	 <u>121,292</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 158,403</u></u>

The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total fund balances - Governmental Funds	\$	121,292
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds. Those assets consist of:

Buildings and building improvements, net \$32,716 in accumulated depreciation	14,635		
Equipment, furniture and fixtures, net of \$218,685 in accumulated depreciation	\$ 187,502		
Total Capital Assets			<u>202,137</u>

Total net position - Governmental Activities	\$	<u>323,429</u>
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The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUES

Taxes	\$ 106,235
Miscellaneous	<u>-</u>
Total revenues	<u>106,235</u>

EXPENDITURES

General Government:	
Personnel service	31,128
Operating services	44,654
Professional services	3,425
Capital outlay	<u>94,437</u>
Total expenditures	<u>173,644</u>

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

(67,409)

Fund balances - beginning of year	<u>188,701</u>
Fund balances - end of year	<u>\$ 121,292</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net change in fund balances-total governmental funds	\$ (67,409)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$94,437) exceeds depreciation (\$46,982) in the current period.

<u>47,454</u>

Change in Net Position - Governmental Activities	<u><u>\$ (19,955)</u></u>
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The accompanying notes are an integral part of these financial statements.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

The Red River Parish Communications District was created on September 14, 2006, by Ordinance 05-2006 of the Red River Police Jury. The District is charged with forming and operating an emergency response system for Red River Parish to be operated as a "911" system. The District is governed by a board of 7 commissioners appointed by the Police Jury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement 14, as amended by Statement 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Although the District is a legally separate entity possessing the right to levy taxes, approve its own budget and issue debt, under provisions of this Statement, the District is considered a *component unit* of the Red River Police Jury, the *primary government*, since a level of control is maintained by the Red River Police Jury through appointment of the District's Board and through fiscal interdependency. As a component unit, the District's financial statements are to be discretely presented in the Red River Police Jury's financial statements.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. GASB is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

The District's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

Government-wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Governmental Funds:

The governmental fund financial statements (*the Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance*) are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to fund current operations. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt which is recognized when due.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Governmental Funds: (continued)

The governmental fund financial statements provide information about the District's governmental funds. The emphasis of fund financial statements is on the major governmental funds. As of December 31, 2013 the District had one major governmental fund as follows:

- General fund – accounts for the general operations of the District that are funded through unrestricted funding sources. The General Fund is always a major fund.

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Red River Parish Communications District prepares and adopts a budget prior to July 1 each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments that, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2013, \$0 was considered to be uncollectible.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Communications District is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Compensated Absences

The Red River Parish Communications District does not have full time employees; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

Restricted Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net position - net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position is reported in this category.

Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact,
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (District). These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Equity (continued)

4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the District or their management to which the District has delegated the authority to assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

The District establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The District typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$142,333 at December 31, 2013. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2013, the District's bank balance of these deposits totaled \$142,333 and was fully collateralized through FDIC insurance and therefore was not exposed to custodial credit risk.

3. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2013 includes telephone surcharges due totaling \$16,070.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

4. CAPITAL ASSETS

A summary of Red River Parish Communications District's capital assets at December 31, 2013 follows:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Buildings and building improvements	\$ 47,351	\$ -	\$ -	\$ 47,351
Less accumulated depreciation	(27,981)	(4,735)	-	(32,716)
Total Automobiles and Equipment	<u>19,370</u>	<u>(4,735)</u>	<u>-</u>	<u>14,635</u>
Equipment, furniture and fixtures	311,750	94,437	-	406,187
Less accumulated depreciation	(176,437)	(42,248)	-	(218,685)
Total equipment, furniture and fixtures	<u>135,313</u>	<u>52,189</u>	<u>-</u>	<u>187,502</u>
Total Capital Assets, net	<u>\$ 154,683</u>	<u>\$ 47,454</u>	<u>\$ -</u>	<u>\$ 202,137</u>

5. ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2013:

<u>Class of Payables</u>	
Vendor	\$ 34,224
Payroll liabilities	<u>2,887</u>
Total	<u>\$ 37,111</u>

6. LEASES

The Red River Parish Communications District was not obligated under any non-cancelable capital or operating leases at December 31, 2013.

7. LITIGATION

The Red River Parish Communications District was not involved in any litigation at December 31, 2013.

8. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Red River Parish Communications District received no compensation for their services. As of December 31, 2013, the members of the Board were as follows:

Cindy Coffey
 Jessie Davis
 Glen Edwards
 Shane Felts
 Edgar Gaddis
 Joe Taylor
 John Youngblood

REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<u>REVENUES</u>				
Charges for services	\$ 92,500	\$ 92,500	\$ 106,235	\$ 13,735
Miscellaneous	-	-	-	-
Total Revenues	<u>92,500</u>	<u>92,500</u>	<u>106,235</u>	<u>13,735</u>
<u>EXPENDITURES</u>				
General Government:				
Personnel service	30,000	30,000	31,128	(1,128)
Operating services	46,500	46,500	44,654	1,846
Professional services	3,250	3,250	3,425	(175)
Capital outlay	52,250	62,250	94,437	(32,187)
Total Expenditures	<u>132,000</u>	<u>142,000</u>	<u>173,644</u>	<u>(31,644)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	<u>(39,500)</u>	<u>(49,500)</u>	<u>(67,409)</u>	<u>(17,909)</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>188,701</u>	<u>188,701</u>	<u>188,701</u>	<u>-</u>
End of year	<u>\$ 149,201</u>	<u>\$ 139,201</u>	<u>\$ 121,292</u>	<u>\$ (17,909)</u>

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Red River Parish Communications District
Coushatta, Louisiana 71019

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Red River Parish Communications District (District), a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, identified as 2013-2 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2013-1.

The District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned cost. The District's responses were not subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite + Netterville

Baton Rouge, Louisiana
July 3, 2014

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | |
|--|------------|
| 1. Type of auditors' report issued. | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weakness(es) identified? | No |
| b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to financial statements noted? | Yes |

SECTION #2

FINANCIAL STATEMENT FINDINGS

2013-1 Budget Violation

Criteria: The governing authority shall adopt a budget amendment in an open meeting when total actual expenditures and other uses exceed total budgeted expenditures and other uses by five percent or more pursuant to LA RS 39:1311.

Condition: Actual expenditures exceeded budgeted expenditures by more than 5% and an amended budget was not adopted.

Effect: The District is in violation of the budget law.

Cause: The budget was not monitored.

Recommendation: We recommend that the District emphasize the need to adhere to the budget regulations and provide adequate training to its staff pertaining to these regulations.

Management's Response and Corrective Plan: Management agrees with the recommendation and will implement it immediately.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

FINANCIAL STATEMENT FINDINGS (Continued)

2013-2 Segregation of Duties

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets. One principle way to accomplish this is to segregate incompatible duties whereby, authorization over transactions, access to assets, and reconciliation duties are segregated.

Condition: The District utilizes a purchase order (PO) system. The manager initiates the PO, approves the PO and invoice, generates the checks and is an authorized signer. It should be noted that the established policy is for all checks to have dual signatures including the manager and one of the Commissioners. This mitigates somewhat the lack of segregation of duties.

Effect: Unauthorized transactions could occur and not be detected timely.

Cause: Limited staff makes it difficult to completely segregate incompatible duties.

Recommendation: We recommend that the District implement a procedure whereby a commissioner reviews the bank statements and verifies that the imaged checks that are returned with bank statement verifying that two authorized signatures are on the checks.

Management's Response
and Corrective Plan:

Management agrees with the recommendation and will implement it immediately.

RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

- None